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offering said vehicle loans to said financial institutions on a loan-by-loan basis;

placing said vehicle loans with said financial institutions on a loan-by-loan basis as determined by said financial institutions;

servicing said vehicle loans;

obtaining non-revocable default insurance policies from an insurance company on said vehicle loans that insures said vehicle loans for the life of said loans on a loan-by-loan basis for amounts substantially equal to the difference between wholesale values of said vehicles and loan balances after repossession plus a predetermined dollar amount and a predetermined number of monthly payments missed by said credit impaired borrowers as a result of defaults;

asserting insurance claims with said insurance company on behalf of said financial institution for defaults by said credit impaired borrowers;

disbursing insurance claim proceeds and proceeds from repossession sales of said vehicles to said financial institution.

23. (New) The method of claim 22, said financial service provider further providing services comprising:

establishing an overall interest rate for said vehicle loans that adequately compensates said financial institutions for making said vehicle loans at a first predetermined interest rate and adequately compensates said financial service provider for providing services at a second predetermined interest rate so that said financial institution has a predetermined return and said financial service provider performs said services as a fixed percentage of said loan balances;

paying the entire amount of said default insurance for the life of said vehicle loans upon establishing said vehicle loans.

24. (New) The method of claim 22, said financial service provider further providing services comprising:

selling said vehicle loans to third party purchasers and providing said financial institutions with on-going interest income on said vehicle loans.

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25. (New) The method of claim 22, said financial service provider further providing services comprising:
- prequalifying said borrowers using underwriting guidelines;
  - providing said borrowers with a prequalification card that can be used for obtaining said vehicle loans.
26. (New) The method of claim 22, said financial service provider further providing services comprising:
- locating said credit-impaired borrowers desiring to make said vehicle loans through vehicle dealers.
27. (New) The method of claim 23 wherein said step of servicing said vehicle loans comprises:
- making introductory contacts with said credit impaired borrowers to advise said borrowers that said financial service provider is servicing said vehicle loans and to verify information regarding said credit impaired borrowers and said vehicles;
  - providing billing statements to said credit impaired borrowers prior to a payment due date;
  - contacting said credit impaired borrowers within several days after said payment due date if payment has not been received;
  - issuing cure letters to said credit impaired borrowers if payment has not been received after several additional days indicating the right of said financial service provider to repossess said vehicles.
28. (New) The method of claim 27 wherein said step of servicing said vehicle loans further comprises:
- placing demand calls to said credit impaired borrowers if loan payments are not received within approximately 10 days of said payment due date;